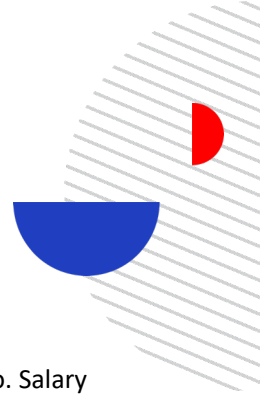


2022 SALARY REVIEW GUIDELINES

For APS-represented employees



WHY IS COMPENSATION PLANNING IMPORTANT?

Every year, managers complete an annual review of how their employees are compensated for the work they do. Salary review is a key part of the Corporation's total rewards strategy that supports the attraction, retention and motivation of our employees to successfully contribute to achieving the Corporation's strategies and goals.

WHAT FACTORS ARE CONSIDERED WHEN MAKING SALARY REVIEW RECOMMENDATIONS?

The following five (5) factors are taken into account:

1. **Position:** The individual's current position within the pay band;
2. **Performance:** The individual's performance, assessed through the Performance and Development Dialogue process;
3. **Peers:** The individual's salary position in relation to that of their peers, and to ensure pay equity;
4. **Role:** The value of the job based on the roles and responsibilities of the individual; and
5. **Affordability:** Since budgets are limited within the constraints of business operations, it is important to prioritize and appropriately allocate these resources based on budget availability.

WHO IS ELIGIBLE?

- Permanent or temporary employees with an active status as of June 6, 2022.
- Employees on maternity/paternity/childcare/adoption/deferred leave as of June 6, 2022, are eligible for a salary review; however, any adjustment will be effective only upon their active return to work.
- Contract employees may also be considered eligible for a salary review, depending on the specific terms and conditions stipulated in their respective contracts. Any recommendations must be completed during the salary review process, even if the increase is to be applied at the next contract renewal date.

KEY DATES

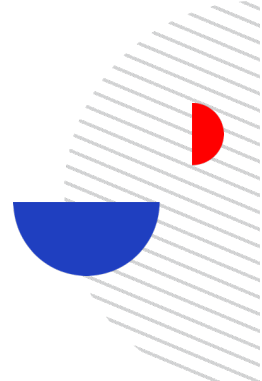
- May 2 – Salary review process begins
- June 6 – Communication of salary recommendations and performance ratings to employees begins
- June 6 – Salary recommendations become effective
- June 17 – Deadline to submit lump sum payment RRSP instructions to Shared Services
- June 30 – Salary/lump sum recommendations reflected on pay deposit

HOW DO MANAGERS DECIDE WHEN TO USE SALARY REVIEW, GROWTH OR LUMP SUM?

The following table is intended as a guideline to assist managers in making appropriate decisions during the review process.

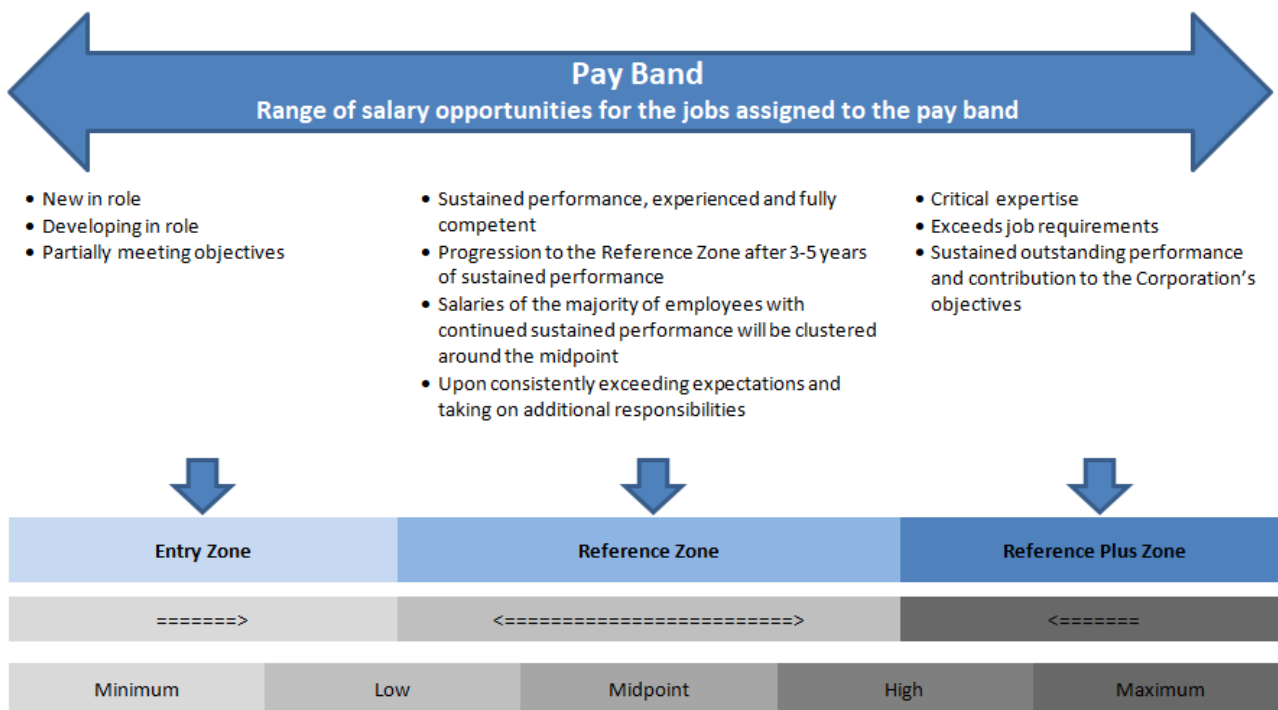
ELEMENT	DEFINITION	IMPLEMENTATION
SALARY REVIEW	<ul style="list-style-type: none">▪ Intended to support managers' recognition of an employee's sustained performance in the job.▪ Increase is a permanent adjustment to an employee's base salary.	<ul style="list-style-type: none">▪ Typically used for salaries that are already positioned appropriately within the pay band.
GROWTH	<ul style="list-style-type: none">▪ Intended to assist managers to recognize an employee's development within the job with the progression of their salary within the applicable pay band.▪ Increase is a permanent adjustment to an employee's base salary.	<ul style="list-style-type: none">▪ Typically used for an employee whose salary is below the midpoint.▪ In some cases, it can be used for an employee whose salary is at or above the midpoint, in order to differentiate their salary based on exceptional sustained performance.
LUMP SUM	<ul style="list-style-type: none">▪ One-time payment to recognize an employee's contribution.▪ Does not increase base salary.	<ul style="list-style-type: none">▪ Recognize the contribution of an employee whose salary is above the maximum of the applicable pay band.





PAY BAND ZONES

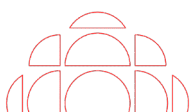
Each pay band is divided into three (3) zones (Entry Zone, Reference Zone and Reference Plus Zone). The zones are guides that help position employees' salaries within the pay bands, based on their relative contribution and performance over time, and in relation to the salaries of their peers.

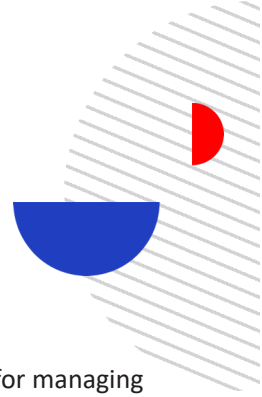


SALARY PLANNING GUIDELINES

Link the employee's position in the pay band relative to their overall performance. Managers must also make salary recommendations based on budget affordability.

Performance Rating	Entry Zone	Reference Zone		Reference Zone Plus	Above Band
		Below Midpoint	At/Above Midpoint		
Base Salary					
Exceeds Expectations	3.1%	2.5%	1.9%	1.15%	Lump Sum
Meets Expectations	2.0%	1.7%	1.4%	0.8%	Lump Sum
Meets Some Expectations	1.0%	0.5%	0%	0%	0%
Below Expectations	0%	0%	0%	0%	0%





PAY BANDS

These represent the range of market values of the role within the job evaluation program. Pay bands are a tool for managing individual salaries, providing the ability to recognize differences in individual contribution, within a competitive framework, that reflects both the external market value and the internal value of the role. These pay bands are effective June 6, 2022.

PAY BAND	Entry Zone	Reference Zone			Reference Plus Zone
	Minimum	Low	Midpoint	High	Maximum
	=====>	<=====			<=====
PB 04	46,900	54,700	62,500	70,300	78,100
PB 05	55,100	64,300	73,500	82,700	91,900
PB 06	68,300	79,600	91,000	102,400	113,800
PB 07	81,800	95,400	109,000	122,600	136,300

EXCEPTIONS

- Employees who leave the Corporation prior to June 6, 2022 are not eligible for a salary review.
- Employees who are on Long-Term Disability on or before June 6, 2022 are not eligible for a salary review, however their salary should be reviewed upon their active return to work.
- The salaries of newly hired or promoted employees should be reviewed to determine if they are positioned in the appropriate zone relative to the salary of peers in similar roles with similar experience and contribution.
- Salaries for both primary and secondary positions are to be reviewed according to the applicable guidelines. The terms and conditions of a secondary assignment should be examined in order to determine if an adjustment is warranted (i.e., original terms of the assignment, relativity to peers, etc.).
- Employees active for less than six (6) months of the review period may be eligible at the discretion of their manager. Managers may assign an increase lower than that recommended in the Salary Planning Guidelines.

